

PHILIPS

Philips is again among the world's most sustainable companies

Philips is included among the Global 100 Most Sustainable Corporations in the World for the third year running. The G100 includes companies were evaluated according to how effectively they manage environmental, social and governance risks and opportunities, relative to their industry peers. Launched in 2005, the Global 100 is unveiled each year at the World Economic Forum in Davos, Switzerland.

The listed companies, taken from a pool of some 1,800 international companies, represent 16 countries and a variety of sectors. On a country basis, the United Kingdom led the way with 24, with the United States (19) and Japan (13) following. Approximately one-third of the ranked companies were replaced from last year's list.

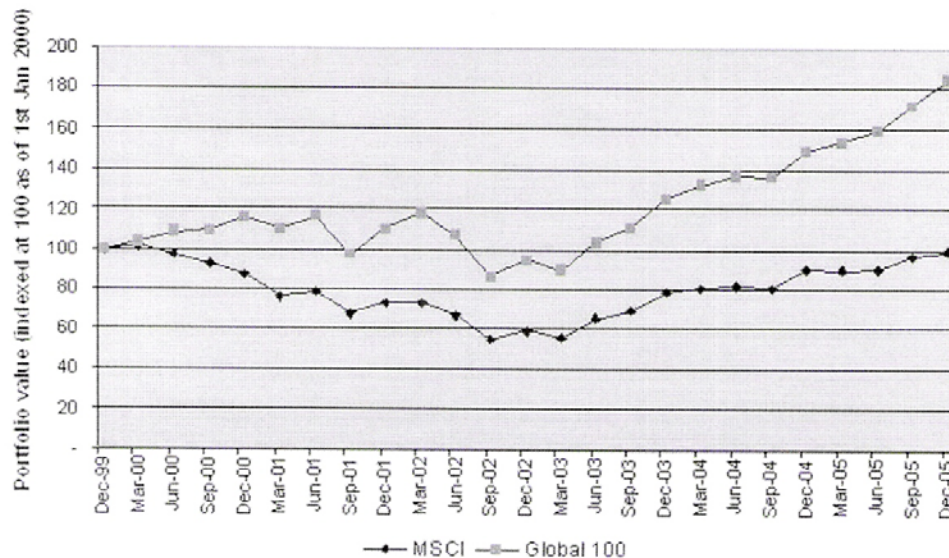
G100 companies out-perform the competition

Matthew Kiernan, CEO of Innovest, a New York-based international investment advisory firm, whose analysis underpins the list, notes: "G100 companies are proactive in their response to investor and other stakeholder demands for better management of risks such as climate change. We believe that these sustainability leaders will create significant long-term value through innovation, lower costs, better employee recruiting and retention and consumer choice. G100 companies will likely continue to out-perform the competition as a result." This outperformance is illustrated below.



Performance Chart

This chart shows the relative performance of the 2006 Global 100 companies back-tested against the MSCI World Index (2000-2005).



Outperformance Results

	MSCI World	2006 Global 100	Outperformance
1 year	10%	23%	13.46%
3 year	19%	25%	5.47%
5 year	3%	10%	7.11%

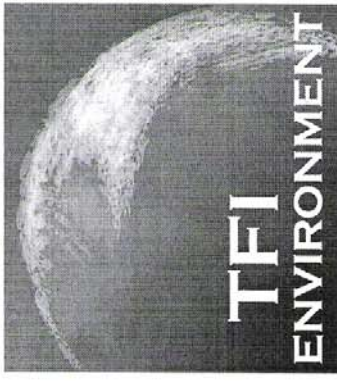
Toby Heaps, co-Founder and Editor of Corporate Knights magazine, says that "Increased environmental scrutiny and regulatory action are opening the floodgates for trillions of dollars of investment capital to flow into companies with a green edge, and the G100 are well-placed to surf this long-wave."

About G100

The Global 100 Most Sustainable Corporations in the World is a project initiated by Corporate Knights Inc. with Innovest Strategic Value Advisors Inc., a leading research firm specializing in analyzing extra-financial drivers of risk and shareholder value, including companies' performance on social, environmental and strategic governance issues.

[Click here for more on the Global 100](#)

Designing Solutions for Reuse and Recycling



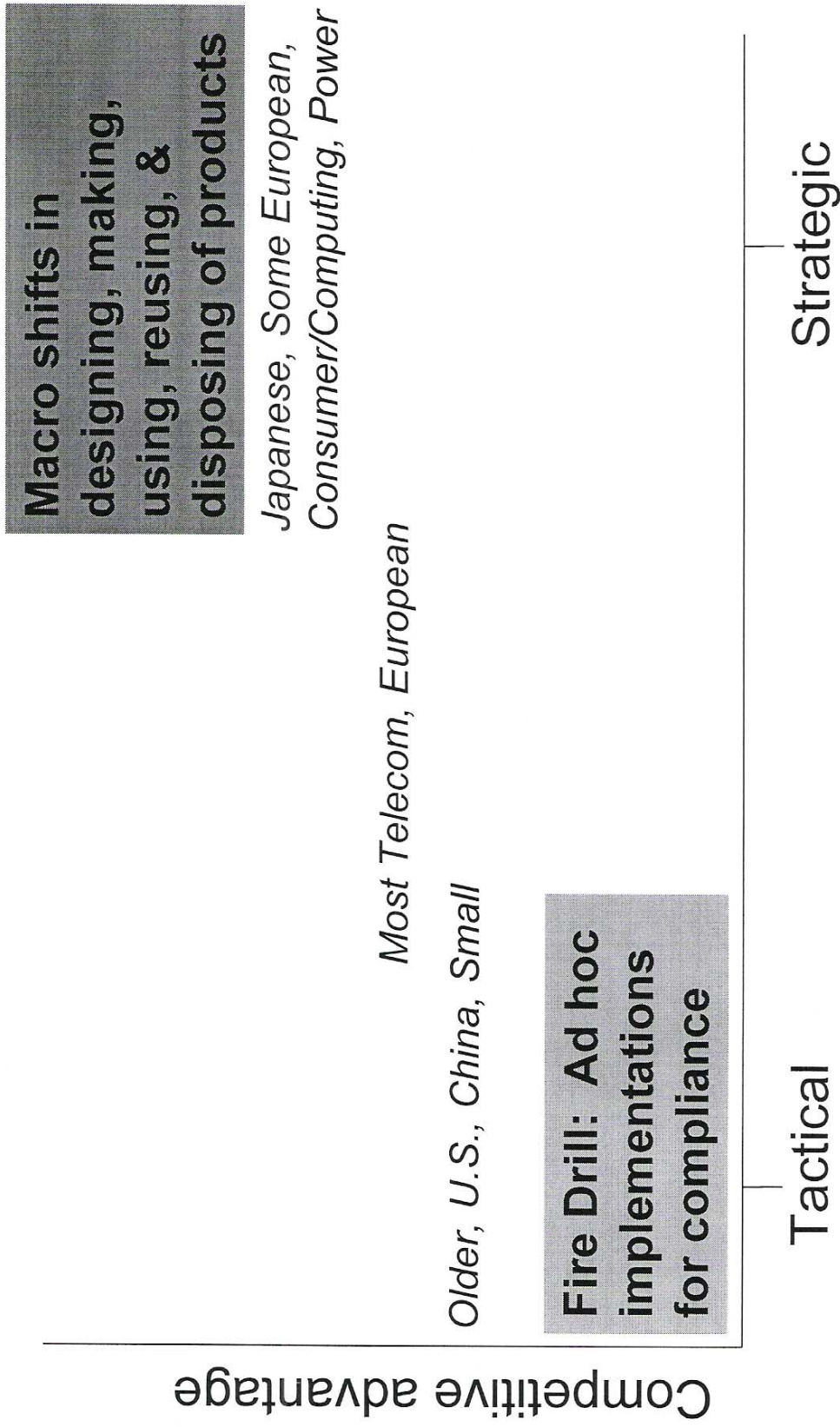
What Electronics Designers are Hearing

by Pamela J. Gordon
Technology Forecasters Inc.

E-Scrap Conference,
Oct. 18, 2006



The Range (with exceptions)



The Formula: Type of Company

- Japanese
 - Quick catch up / saving face moving, risk averse
 - In aggregate, most consistent innovations
 - Product, process, facilities, recycling technologies, other industries
- Some European
 - Philips: “Focusing on process is old fashioned”
 - Thomson
 - Siemens
 - Nokia
- Consumer / Computing: Shorter life / lower stakes
- Higher-power consumption products; more to gain



TECHNOLOGY FORECASTERS INC.

Who's Doing Well by Doing Good

SOME LEADERS What does it mean to say a company, its products, or its processes are "sustainable"? Here is a list of top-rated companies by industry:

AUTOMOBILES		COMMUNICATIONS EQUIPMENT	
TOYOTA	The maker of the top-selling Prius hybrid leads in developing efficient gas-electric vehicles.	NOKIA	Makes phones for handicapped and low-income consumers. A leader in phasing out toxic materials.
RENAULT	Integrates sustainability throughout organization. Has fuel-efficient cars and factories.	ERICSSON	Eco-friendly initiatives include wind- and fuel-cell-powered telecom systems in Nigerian villages.
VOLKSWAGEN	A market leader in small cars and clean diesel technologies.	MOTOROLA	Good disclosure of environmental data. Takes back used equipment in Mexico, U.S., and Europe.
COMPUTERS & PERIPHERALS		FINANCIAL SERVICES	
HEWLETT-PACKARD	Despite board turmoil, the company rates high on ecological standards and digital tech for the poor.	ABN AMRO	Involved in carbon-emissions trading. Finances everything from micro enterprises to biomass fuels.
TOSHIBA	At forefront of developing eco-efficient products, such as fuel cells for notebook PC batteries.	HSBC	Lending guidelines for forestry, freshwater, and chemical sectors factor in social, ecological risks.
DELL	Among the first U.S. PC makers to take hardware back from consumers and recycle it for free.	ING	Weights sustainability in project finance. Helps developing nations improve financial institutions.
HEALTH CARE		HOUSEHOLD DURABLES	
FRESENIUS MEDICAL CARE	Discloses costs of its patient treatment in terms of energy and water use and waste generated.	PHILIPS ELECTRONICS	Top innovator of energy-saving appliances, lighting, and medical gear and goods for developing world.
IMS HEALTH	Places unusual emphasis on environmental issues in its global health consulting work.	SONY	Is ahead on green issues and ensuring quality, safety, and labor standards of global suppliers.
QUEST DIAGNOSTICS	Has diversity program promoting businesses owned by minorities, women, and veterans.	MATSUSHITA ELECTRIC	State-of-the-art green products. Eliminated 96% of the most toxic substances in its global operations.
OIL & GAS		PHARMACEUTICALS	
ROYAL DUTCH SHELL	Since Nigerian human rights woes in '90s, leads in community relations. Invests in wind and solar.	ROCHE	Committed to improving access to medicine in poor nations. Invests in drug research for Third World.
NORSK HYDRO	Cut greenhouse gas emissions 32% since 1990. Strong in assessing social, environmental impact.	NOVO NORDISK	Spearheads efforts in diseases like leprosy and bird flu and is a leading player in lower-cost generics.
SUNCOR ENERGY	Ties with aboriginals help it deal with social and ecological issues in Canada's far north.	GLAXO-SMITHKLINE	One of few pharmas to devote R&D to malaria and TB. First to offer AIDS drugs at cost.
RETAIL		UTILITIES	
MARKS & SPENCER	Buys local product to cut transit costs and fuel use. Good wages and benefits help retain staff.	FPL	Largest U.S. solar generator. Has 40% of wind-power capacity. Strong shareholder relations.
HOME RETAIL GROUP	High overall corporate responsibility standards have led to strong consumer and staff loyalty.	IBERDROLA	Since Scottish Power takeover, renewable energy accounts for 17% of capacity. Wants that to grow.
AEON	Environmental accounting has saved \$5.6 million. Good employee policies in China and SE Asia.	SCOTTISH & SOUTHERN	Aggressively discloses environmental risk, including air pollution and climate change.

SOME LAGGARDS Concentrating on the bottom line makes companies postpone important changes. It can also lead to poor public relations. Here are a few companies that received lower marks:

ALLEGHENY ENERGY Reliance on coal poses risk if U.S. passes greenhouse gas rules.

BANK OF CHINA Hit by recent corruption cases, but bank says it has since improved governance.

GENERAL MOTORS Trails Toyota and Honda in fuel-efficient cars. High reliance on SUVs.

NINTENDO Slow to grapple with how emerging environmental, safety, and labor standards will affect offshore suppliers.

PETROCHINA Lacks transparent environmental programs. Safety record includes fatal gas leak and benzene plant explosion.

SURGUTNEFTGAZ Plagued by shareholder suits. Lacks public environmental policy.

WAL-MART The mass retailer has made great strides with ambitious green initiatives (page 57), but the company's image remains tarnished by criticisms of labor and offshore sourcing practices.

Data: Innovest Strategic Value Advisors